

## **§ 261.21**

corrective compliance plan, pursuant to §§ 262.5 and 262.6 of this chapter.

### **§ 261.21 What overall work rate must a State meet?**

Each State must achieve a 50 percent minimum overall participation rate in FY 2006 and thereafter, minus any caseload reduction credit to which it is entitled as provided in subpart D of this part.

### **§ 261.22 How will we determine a State's overall work rate?**

(a)(1) The overall participation rate for a fiscal year is the average of the State's overall participation rates for each month in the fiscal year.

(2) The rate applies to families with a work-eligible individual.

(b) We determine a State's overall participation rate for a month as follows:

(1) The number of TANF and SSP-MOE families that include a work-eligible individual who meets the requirements set forth in § 261.31 for the month (i.e., the numerator), divided by,

(2) The number of TANF and SSP-MOE families that include a work-eligible individual, minus the number of such families that are subject to a penalty for refusing to work in that month (i.e., the denominator). However, if a family with a work-eligible individual has been penalized for refusal to participate in work activities for more than three of the last 12 months, we will not exclude it from the participation rate calculation.

(3) At State option, we will include in the participation rate calculation families with a work-eligible individual that have been penalized for refusing to work no more than three of the last 12 months.

(c)(1) A State has the option of not requiring a single custodial parent caring for a child under age one to engage in work.

(2) At State option, we will disregard a family with such a parent from the participation rate calculation for a maximum of 12 months.

(d)(1) If a family receives assistance for only part of a month, we will count it as a month of participation if a work-eligible individual is engaged in work for the minimum average number

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of hours in each full week that the family receives assistance in that month.

(2) If a State pays benefits retroactively (i.e., for the period between application and approval of benefits), it has the option to consider the family to be receiving assistance during the period of retroactivity.

### **§ 261.23 What two-parent work rate must a State meet?**

Each State must achieve a 90 percent minimum two-parent participation rate in FY 2006 and thereafter, minus any caseload reduction credit to which it is entitled as provided in subpart D of this part.

### **§ 261.24 How will we determine a State's two-parent work rate?**

(a)(1) The two-parent participation rate for a fiscal year is the average of the State's two-parent participation rates for each month in the fiscal year.

(2) The rate applies to two-parent families with two work-eligible individuals. However, if one of the parents is a work-eligible individual with a disability, we will not consider the family to be a two-parent family; i.e., we will not include such a family in either the numerator or denominator of the two-parent rate.

(b) We determine a State's two-parent participation rate for the month as follows:

(1) The number of two-parent TANF and SSP-MOE families in which both parents are work-eligible individuals and together they meet the requirements set forth in § 261.32 for the month (i.e., the numerator), divided by,

(2) The number of two-parent TANF and SSP-MOE families in which both parents are work-eligible individuals during the month, minus the number of such two-parent families that are subject to a penalty for refusing to work in that month (the denominator). However, if a family with a work-eligible individual has been penalized for more than three months of the last 12 months, we will not exclude it from the participation rate calculation.

(3) At State option, we will include in the participation rate calculation families with a work-eligible individual that have been penalized for refusing to